

**AMENDMENT 1 TO  
DEVELOPER'S PUBLIC REPORT  
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME:	NOHONA AT KAPOLEI – PHASE I
PROJECT ADDRESS:	Kaiau Avenue Kapolei, Hawaii 96707
REGISTRATION NUMBER:	6510
EFFECTIVE DATE OF REPORT:	<b>April 17, 2008</b>
MUST BE READ TOGETHER WITH DEVELOPER'S PUBLIC REPORT DATED:	Developer's Public Report dated: January 9, 2008
DEVELOPER(S):	Castle & Cooke Homes Hawaii, Inc.

**Preparation of this Amendment**

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes (HRS), as amended from time to time. Section 514B-56, HRS, requires that after the Commission has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the developer desires to update or change the information set forth in the Developer's Public Report, the developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS means any change that directly, substantially, and adversely affects the use or value of (1) A purchaser's unit or appurtenant limited common elements; or (2) Those amenities of the project available for the purchaser's use.

The law defines "pertinent change" to mean, as determined by the commission, a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) The size, construction materials, location, or permitted use of a unit or its appurtenant limited common element; (2) The size, use, location, or construction materials of the common elements of the project; or (3) The common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed; and (3) is not the

---

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

Commission's judgment of the value or merits of the project.

The law defines "material facts" to mean any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale.

This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

---

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made.

Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number; additional pages may be used):

The Declaration of Condominium Property Regime and the specimen Deposit Receipt and Sales Agreement (the "Sales Agreement") both contain a restriction on the type of flooring that may be used within second floor units. The Declaration of Condominium Property Regime has been amended by that certain First Amendment to Declaration of Condominium Property Regime dated March 21, 2008, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3725583, to delete the flooring restriction. The specimen Sales Agreement will be revised to delete the flooring restriction. With respect to buyers who already have executed a Sales Agreement, Seller will enter into an Addendum to Sales Agreement which deletes the flooring restriction from the Sales Agreement. Page 5 of the Public Report has been revised to reflect the date of the updated title report which has been obtained and submitted to the Commission. Page 10 of the Public Report has been revised to reflect the amendment of the Declaration of Condominium Property Regime. Exhibit G of the Public Report has been revised to reflect the updated encumbrances against title as shown on the updated title report. Exhibit J of the Public Report has been revised to delete the flooring restriction. Revised pages 5 and 10, and Exhibits G and J are attached to this Amendment to Public Report.

The matters referred to in Amendment to Public Report do not constitute a material change to any units in the Project, and the issuance of the effective date of this Amendment to Public Report will not be the basis for purchasers of units in the Project to rescind a binding sales contract.

Changes continued:

--

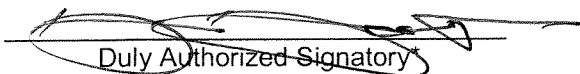
**The Developer declares subject to the penalties set forth in Section 514B-69, HRS that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.**

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report as amended to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

Castle & Cooke Homes Hawaii, Inc.

Printed Name of Developer

  
Duly Authorized Signatory

APR - 1 2008

Date

**W. BRUCE BARRETT**

**EXECUTIVE VICE PRESIDENT**

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

**\*Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at (808) 586-2643 to submit your request.*

## 1.9 Common Elements

**Common Elements:** Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit E.

Described as follows:

Common Element	Number
Elevators	0
Stairways	3 in Bldg. 6; 5 in each of Bldgs. 1, 2, 3, 4, 5, 7, 8 and 9
Trash Chutes	0

## 1.10 Limited Common Elements

**Limited Common Elements:** A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit F.

Described as follows:

## 1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input checked="" type="checkbox"/>	Pets: No animals allowed, except that dogs, cats and other household pets (as determined by the Board of Directors) in reasonable number and size as determined by the Board of Directors (but not to exceed a total of 2 such animals per unit) may be kept in the unit and/or the yard area, if any, appurtenant to such unit.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Ask to see "Rules & Regulations" (House Rules) regarding other possible restrictions. Also see owner-occupancy requirements noted on page 1a of this Report
<input type="checkbox"/>	There are no special use restrictions.

## 1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit G describes the encumbrances against title contained in the title report described below.

Date of the title report: March 24, 2008

Company that issued the title report: Title Guaranty of Hawaii, Incorporated

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

#### 3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	December 6, 2007	3689507

##### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	March 21, 2008	3725583

#### 3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	December 6, 2007	3689508

##### Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

#### 3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	1932
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

PUBLIC REPORT ON  
NOHONA AT KAPOLEI – PHASE I

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Designation of Easement 5518 as shown on Map 803, as set forth by Land Court Order No. 121519, filed August 15, 1995, as amended by Land Court Order No. 121658, filed August 30, 1995, for wall maintenance purposes.
4. Quitclaim Deed dated January 3, 1990, filed as Document No. 1696820.
5. Quitclaim Deed dated June 20, 1990, filed as Document No. 1745093.
6. Declaration of Conditions Imposed by the Land Use Commission dated June 6, 1990, filed as Document No. 1736622, as amended by instrument dated February 6, 1992, filed as Document No. 1888121.
7. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Covenants, Conditions and Restrictions, Villages of Kapolei dated July 26, 1990, filed as Document No. 1752834, as amended and restated. Said Declaration was amended by annexation instrument dated August 13, 1992, filed as Document No. 1956922, Restated Declaration of Covenants, Conditions and Restrictions, Villages of Kapolei dated September 30, 1994, filed as Document No. 2199063, Second Restated Declaration of Covenants, Conditions and Restrictions, Villages of Kapolei dated February 16, 1995, filed as Document No. 2238460, and Third Restated Declaration of Covenants, Conditions and Restrictions, Villages of Kapolei dated March 23, 1999, filed as Document No. 2620834.
8. Unilateral Agreement and Declaration for Conditional Zoning dated March 6, 2001, filed as Document No. 2689090.
9. Unilateral Agreement and Declaration for Conditional Zoning dated March 6, 2001, recorded as Document No. 2001-032622.
10. Memorandum of Agreement dated November 27, 2002, recorded as Document No. 2005-068465.



11. Memorandum of Development Agreement dated February 13, 2006, filed as Document No. 3398694.
12. Quitclaim Deed dated April 2, 2007, filed as Document No. 3593554.
13. Designation of Easement 9292 as shown on Map 1344, as set forth by Land Court Order No. 171914, filed September 4, 2007.
14. Restriction of Vehicular Access Rights as shown on Map 1344, as set forth by Land Court Order No. 171914, filed September 4, 2007.
15. Agreement for Issuance of Conditional Use Permit Under Section 21-5.380 of the Land Use Ordinance (LUO) dated September 19, 2007, filed as Document No. 3659138.
16. Declaration of Merger of Condominium Phases dated December 6, 2007, filed as Document No. 3689506, as amended from time to time.
17. Condominium Map No. 1932, as amended from time to time.
18. Declaration of Condominium Property Regime of Nohona at Kapolei – Phase I dated December 6, 2007, filed as Document No. 3689507, as amended by First Amendment to Declaration of Condominium Property Regime dated March 21, 2008, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 3725583, as further amended from time to time.
19. By Laws of the Association of Unit Owners of Nohona at Kapolei – Phase I dated December 6, 2007, filed as Document No. 3689508, as amended from time to time.

PUBLIC REPORT ON  
NOHONA AT KAPOLEI – PHASE I

EXHIBIT J

SUMMARY OF SALES AGREEMENT

A specimen Sales Agreement (hereinafter sometimes referred to as the "Sales Agreement") has been submitted to the Real Estate Commission and are available in the Sales Office of the Seller. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT, INCLUDING ANY ADDENDUM, IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of their provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. The Declaration of Merger of Condominium Phases (hereinafter called the "Declaration of Merger"), among other things, gives Seller the right, in its sole and absolute discretion, to cause and effect an administrative merger or mergers of the Project with a condominium project or projects located or to be located on lands (or a portion or portions thereof) in the vicinity of the land of the Project, as part of the same incremental plan of development of the Project, such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the Project and the additional phases are shared, and the administration of the Project and the additional phases is unified under one association of unit owners, but the ownership interests of the unit owners in the Project and the additional phases are not altered or affected. The Declaration of Merger also gives the Seller the right, in its sole and absolute discretion, to cause and effect an ownership merger or mergers of the Project and the additional phases, as an alternative to an administrative merger or mergers of the Project and the additional phases, to provide for the common ownership of the Project and the additional phases by all of the unit owners of the Project and the additional phases. Upon an ownership merger, all of the units in the merged phases shall be treated as though they were all included in a single condominium project (the "Merged Project"), all common elements of the merged phases will become the common elements of the Merged Project, and the common interest appurtenant to the Unit shall be decreased from the percentage set forth in Article I of the Sales Agreement to a percentage as set forth in the "Certificate of Ownership Merger" recorded by the Seller, in accordance with the Declaration of Merger. Nothing herein will be deemed to require Seller to develop the additional phases or to merge the additional phases into the Project, or to prohibit Seller from dealing with any lands adjacent to the Project not merged with the Project, including without limitation, developing all or any part of such lands for purposes inconsistent with the merger of such lands into the Project.

2. Seller has given to and/or may give to one or more lenders a mortgage or mortgages, security agreement or agreements, and other instruments securing repayment of loan(s) and covering Seller's ownership rights in the Project, including the individual units. All of the rights and interests which Seller gives to the lender or lenders will have priority over the buyers' rights and interests under the Sales Agreements. This applies to any changes to the loan or loans or the mortgage or mortgages, security agreement or agreements or other instruments (including, among other things, extensions, renewals and other changes). The buyers give up and subordinate the priority of their rights and interests under the Sales Agreements in favor of the rights and interests of Seller's lenders until the final closing and delivery of signed condominium unit deeds to the buyers. If Seller's lender or lenders ask the buyers to do so, the buyers will sign other documents to confirm the promises and agreements mentioned above.

3. Buyer understands and acknowledges that Seller and the Hawaii Housing Finance and Development Corporation ("HHFDC") have an agreement (the "Development Agreement") in which HHFDC agrees, among other things, to complete certain infrastructure improvements serving the Property. In the event that HHFDC's failure to perform its obligations under the Development Agreement shall cause Seller to fail or become unable to perform any of its obligations to buyer, and provided that such failure or inability of Seller to perform is legally supportable in the State of Hawaii as an impossibility of performance for reasons beyond the control of Seller, Seller shall not be responsible or liable to buyer for the observance or performance of the terms of the Sales Agreement, and Seller may cancel the Sales Agreement or may (without limiting the generality of Seller's right to freely transfer or assign) transfer or assign its rights and obligations under the Sales Agreement to HHFDC, its successors and assigns. Buyer agrees that upon any such cancellation or upon any such transfer or assignment by Seller to HHFDC, its successors or assigns, Seller shall be released from all obligations and liabilities under the Sales Agreement. Buyer covenants and agrees to assume the risk of HHFDC's failure to perform its obligations under the Development Agreement, and buyer shall indemnify and hold Seller and its successors and assigns harmless from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising out of or resulting from any claims made by buyer in connection with Seller's failure or inability to perform its obligations to buyer as a result of HHFDC's failure to perform its obligations to Seller pursuant to the Development Agreement, provided that such failure or inability of Seller to perform is legally supportable in the State of Hawaii as an impossibility of performance beyond the control of Seller.

4. Buyer acknowledges and agrees that, pursuant to the terms of the Development Agreement, Seller is developing the Project with assistance from HHFDC for the purpose of providing housing opportunities for qualified buyers. As a condition for such assistance from HHFDC, Seller is required to sell the Property to buyer subject to the restrictions on the use, sale and transfer of the Property and subject to a shared

appreciation equity program in favor of HHFDC. In connection therewith, buyer and Seller agree as follows:

(a) Buyer understands that the Property may be sold only to buyers who meet all of HHFDC's eligibility requirements, household income requirements, project requirements and required preferences, if any. The details of the housing program have been established by HHFDC and include the selection of units in accordance with a Property Selection Number ("PSN") list to be established by HHFDC, pursuant to which potential buyers will be ranked on the PSN list according to household size, preferences established by HHFDC, and public drawing number.

If Seller or HHFDC shall determine that buyer is not a qualified buyer, Seller shall have the right prior to Closing to cancel the Sales Agreement at any time. If Seller cancels the Sales Agreement as aforesaid, Seller will cause Escrow to return to buyer all of buyer's deposits made under the Sales Agreement, without interest, and neither party will have any further obligations under the Sales Agreement or relating to the Project; provided, that buyer shall be responsible for all escrow cancellation fees, up to a maximum of \$250.00.

(b) The transfer of the Property to buyer will be made subject to (and the Limited Warranty Condominium Unit Deed will so provide) restrictions on use, sale and transfer of the Property pursuant to Sections 201H-47, 48, 49, 50 and 51 of the Hawaii Revised Statutes, as amended (the "HHFDC's Use, Sale and Transfer Restrictions") which provide for, among other things, a first option in favor of HHFDC to purchase the Property for a period of 10 years in the event buyer wishes to sell and/or transfer the Property, whether by lease, assignment of lease, deed or agreement of sale, or in the event buyer violates a covenant requiring buyer to occupy the Property. The HHFDC's Use, Sale and Transfer Restrictions are attached as Exhibit C of the Sales Agreement and will also be incorporated in an exhibit to the Condominium Unit Deed.

(c) The transfer of the Property to buyer will also be made subject to a shared appreciation equity program (the "SAE Program") under which HHFDC would be entitled to a percentage share of the Property's appreciation in value. The terms and conditions of the SAE Program are described in a disclosure statement prepared by HHFDC, a copy of which is attached as Exhibit D of the Sales Agreement and will also be incorporated in an exhibit to the Condominium Unit Deed.

(d) As an express condition for purchasing the Property, each buyer agrees to complete the Home Ownership Counseling Program sponsored by Seller prior to Closing. If buyer fails to complete a Home Ownership Counseling Program, buyer will be in default of the Sales Agreement, and Seller, in addition to any other remedies available to it, will cancel the Sales Agreement, in which event all deposits and all interest thereon shall be retained by Seller. Any such cancellation shall be effective

immediately upon delivery of written notice to buyer. Buyer acknowledges and agrees that Seller shall be solely responsible and liable for the Home Ownership Counseling Program, and/or for any representations or promises made by Seller in connection with the Home Ownership Counseling Program.

(e) Buyer authorizes Escrow to furnish a copy of buyer's Final Escrow Closing statement to HHFDC for purposes of determining buyer's original purchase price for purposes of the SAE Program and the HHFDC's Use, Sale and Transfer Restrictions. Buyer also authorizes Escrow to furnish to HHFDC following Closing a copy of buyer's Home Ownership Counseling Program Certificate of Completion and buyer's filed and certified Condominium Unit Deed.

(f) Buyer acknowledges and agrees that HHFDC shall be solely responsible and liable for and that Seller shall not be responsible or liable to buyer for the administration of the HHFDC's Use, Sale and Transfer Restrictions and the SAE Program, or for any representations or promises made by HHFDC in connection with the HHFDC's Use, Sale and Transfer Restrictions and the SAE Program, or for the observance or performance by HHFDC of its obligations or for the enforcement by HHFDC of its rights under the HHFDC's Use, Sale and Transfer Restrictions and the SAE Program, or for any actions taken or failure to take action by HHFDC in connection with the HHFDC's Use, Sale and Transfer Restrictions and the SAE Program, and buyer assumes all risk of HHFDC's and buyer's administration, observance, performance and enforcement of or failure to administer, observe, perform or enforce the HHFDC's Use, Sale and Transfer Restrictions and the SAE Program, or any term or provision thereof. Buyer agrees to indemnify, defend and hold Seller, its agents, successors and assigns, harmless from and against any and all liability, claims, losses, damages, expenses and costs, including attorneys' fees, arising out of or resulting from the administration, observance, performance and enforcement of or the failure to administer, observe, perform or enforce the HHFDC's Use, Sale and Transfer Restrictions and the SAE Program, or any term or provision thereof.

5. Seller may (but does not have to) cancel the Sales Agreement (a) if the buyer's mortgage loan application is rejected or not approved within 60 days after application, or (b) if the buyer plans to pay the purchase price in cash but the buyer fails to provide Seller with documents of the buyer's ability to make the cash payments.

6. Buyer understands and agrees that (a) Seller's obligation to provide landscaping within the common elements of the Project will be deemed fully satisfied upon planting of the plant materials (which need not be in full coverage and maturity) and installation of the irrigation system pursuant to Seller's landscaping plans, as the same may be amended from time to time in Seller's sole discretion; (b) installation of the plant materials and irrigation system may be completed after the Closing Date; (c) full maturity of the plant materials will only be reached over an extended period of time and

Seller is not responsible for providing landscaping maintenance to reach full coverage and maturity; and (d) the Association will be responsible for maintaining the landscaping after installation thereof, even if the landscaping has not reached full coverage or maturity. Notwithstanding anything contained herein to the contrary, buyer understands and agrees that buyer, and not Seller, shall be responsible for the landscaping of the yard area, if any, appurtenant to the Unit which buyer is purchasing.

7. The Condominium Map for the Project is intended to show only the layout, location, unit numbers and dimensions of the units in the Project. Buyer understands and acknowledges that items shown on the Condominium Map, including, without limitation, the metes and bounds or dimensions of the limited common elements, such as yard areas, may change due to field changes and other factors, and Seller reserves the right to amend the Condominium Map, the Declaration and the other Project documents from time to time to reflect such changes. BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER.

8. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S UNIT. IF BUYER WANTS TO RENT OR SELL THE UNIT, HOW BUYER DOES IT WILL BE UP TO BUYER SUBJECT TO THE RESTRICTIONS CONTAINED IN THE SALES AGREEMENT. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE UNIT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE UNIT OR ABOUT THE TAX EFFECTS OF BUYING THE UNIT.

9. Notwithstanding any other provision in the Sales Agreement to the contrary, Seller shall complete construction of the Unit and building in which the Unit is to be located so as to permit normal occupancy within two (2) years from the date the Sales Agreement is signed by buyer (the "Building Completion Date"); provided, however, that the Building Completion Date will be extended for any period of time during which Seller's construction is actually delayed by weather, tsunami, earthquake, strikes, material shortages, acts of God, war or aggression, destruction of property, acts of governmental authorities, or other matters or conditions legally supportable in the State of Hawaii as an impossibility of performance for reasons beyond the control of Seller. If construction of the Unit and building in which the Unit is to be located is not completed by the Building Completion Date, such failure to so complete shall be a default by Seller under the Sales Agreement, in which case buyer shall be entitled to the applicable remedies set forth in Article V, Section G.3 of the Sales Agreement.

10. Buyer will pay for the following closing costs: all of the Escrow fee, all notary fees, all appraisal fees, all recording costs, all charges for buyer's credit report,

all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all mortgage costs. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association to pay for certain initial common expenses of the Project such as insurance premiums and as a working capital fund for the benefit of all the unit owners. Buyer agrees that Seller does not have to pay any start-up fee for any unit in the Project if it is owned by Seller. Proration of maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date.

11. If, prior to Closing, buyer fails to make any payment when it is due or fails to keep any of buyer's other promises or agreements contained in the Sales Agreement, then Seller will have the right, at Seller's sole option and in addition to any other rights contained in the Sales Agreement, to do any one or more of the following:

(a) Seller may cancel the Sales Agreement by giving buyer written notice of cancellation and Seller may keep all sums paid by buyer under the Sales Agreement as "liquidated damages" (i.e., the amount agreed to by buyer and Seller as properly payable in settlement for breach of contract), and not as a penalty. Without limiting the generality of the foregoing, buyer understands and acknowledges that if buyer defaults under the Sales Agreement, Seller may keep the Option Deposit (as defined in the Sales Agreement) in addition to all other sums paid by buyer under the Sales Agreement. If Seller cancels the Sales Agreement, buyer agrees that it will be difficult and expensive to determine the amount of loss or damage Seller will suffer. This is because of, among other things, Seller's commitments relating to the financing of the Project, the effect of default and cancellation of one sale on other unit sales, and the nature of the real estate market in Hawaii. Buyer agrees that the sums paid by buyer under the Sales Agreement are a reasonable estimate of a fair payment to Seller for Seller's loss or damage resulting from buyer's default.

(b) Seller may file a lawsuit for damages.

(c) Seller may file a lawsuit for "specific performance" (in other words, a lawsuit to make buyer keep all of buyer's promises and agreements).

(d) Seller may take advantage of any other rights which the law allows or which Seller may have under the Sales Agreement.

Buyer also agrees to pay for all costs, including Seller's reasonable lawyers' fees (for both in-house and outside counsel) and the escrow cancellation fee, which are incurred because of buyer's default.

12. If, prior to Closing, Seller fails to keep any of Seller's promises or agreements contained in the Sales Agreement, buyer, if not in default hereunder, may file a lawsuit for specific performance to require Seller to go through with the Sales

Agreement or buyer may exercise any other remedy to which buyer is entitled to at law or equity, including cancel the Sales Agreement, if applicable. If buyer cancels the Sales Agreement because of Seller's default, Seller will repay to buyer all sums paid by buyer to Seller or Escrow under the Sales Agreement, without interest.

13. Buyer understands and acknowledges that the property from time to time subject to the Villages of Kapolei Covenants (said property being herein referred to as the "Kapolei Lots") and the Property are located within the vicinity of the Barbers Point Naval Air Station and the Honolulu International Airport (hereinafter referred to as the "Airports"), and aircraft may fly in the proximity of or directly over the Kapolei Lots and the Property. Buyer acknowledges and understands that the overflights and other airport-related activities may result in noise, vibrations, nuisances, disturbances or hazards to persons and property on or within the Kapolei Lots and the Property as a result of such overflights and other airport-related activities (collectively, the "Airport Effects"). Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh such risks. Buyer hereby covenants and agrees to assume all risks of impairment of the use and enjoyment of the Kapolei Lots and Property, loss of market value of the Property, and property damage or personal injury arising from such Airport Effects, and buyer shall indemnify and hold Seller, its successors and assigns, the Hawaii Housing Finance and Development Corporation ("HHFDC"), the City and County of Honolulu, the State of Hawaii, and the United States of America, and any agency or subdivision of the foregoing, harmless from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the use and enjoyment of the Kapolei Lots and Property, loss of market value of the Property, or property damage or personal injury to the property or person of buyer, or buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Kapolei Lots or the Property. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the overflights and the operation or use of the Airports. Without limitation to the generality of the foregoing, buyer agrees on behalf of buyer, buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and other persons who may use the Property (collectively, the "Occupants") that the Occupants, or any of them, will not file suit against Seller, its successors and assigns, HHFDC, the City and County of Honolulu, the State of Hawaii, and/or the United States of America, or any agency or subdivision thereof, on account of or resulting from any inconvenience, disturbance and/or injury due to noise under 65 LDN in the area affecting the Occupants or their property. The foregoing covenants shall be included in every subsequent conveyance of the Property and shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns, as a covenant running with the land.

14. The buyer acknowledges that the Property is located near or adjacent to land and easements used for and in connection with the cultivation of sugar cane and



diversified agricultural operations, including, but not limited to, open burning, percolating, evaporating, milling, generating power, trucking, plowing, hauling, fertilizing, grading, storing, herbicide, ripener and pesticide spraying, crop dusting, water diversion, irrigating, and all other activities incidental to the planting, cultivating, harvesting and processing of crops, which may from time to time cause surface water runoff, noise, soot, smoke, dust, light, heat, vapors, odors, chemicals, vibrations, and other substances and phenomena of every description (collectively the "Agricultural Effects") to be discharged, emitted, or transmitted over and upon the Kapolei Lots and the Property which may bother or be a nuisance to the buyer and any person occupying or using the Kapolei Lots and the Property. The buyer also acknowledges that the Hawaii Right To Farm Act (Chapter 165 of the Hawaii Revised Statutes) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance. The buyer, for the buyer, the buyer's heirs, personal representatives, successors, assigns, and any person using or occupying the Kapolei Lots and the Property hereby waives, releases and agrees to indemnify and hold harmless Seller, its successors and assigns, the State of Hawaii, HHFDC, Oahu Sugar Company, Limited, Trustees Under the Will and of the Estate of James Campbell, Deceased, and their respective officers, directors, employees, trustees, agents, successors and assigns, from any and all actions, claims for damages and costs (whether brought in nuisance, trespass, or any other area of law or equity, but excluding negligence), including attorneys' fees, arising directly or indirectly out of or from the Agricultural Effects, and hereby agrees to include these provisions in any subsequent conveyance of the Property.

15. The buyer understands and acknowledges that surface water runoff, noise, smoke, soot, dust, light, heat, noxious vapors, odors, chemicals, vibrations and other nuisances may result from Barbers Point Access Road, Farrington Highway, and surrounding agricultural operations. Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh such risks. Buyer hereby covenants and agrees to assume all risks of impairment of the use and enjoyment of the Kapolei Lots and the Property, loss of market value of the Property, and property damage or personal injury arising from the surface water runoff, noise, smoke, soot, dust, light, heat, noxious vapors, odors, chemicals, vibrations and other nuisances, and buyer shall indemnify and hold Seller and its successors and assigns and HHFDC harmless from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the use and enjoyment of the Kapolei Lots and Property, loss of market value of the Property, or property damage or personal injury to the property or person of buyer, or buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, or other persons who may use the Kapolei Lots or the Property. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the surface water runoff, noise, smoke, soot, dust, light, heat, noxious vapors, odors, chemicals, vibrations and other nuisances resulting from Barbers Point Access Road, Farrington Highway and surrounding agricultural operations. The foregoing covenants shall be included in every

subsequent conveyance of the Property and shall be binding upon and inure to the benefit of the parties and their respective heirs, personal representatives, successors and assigns, as a covenant running with the land.

16. The buyer understands, acknowledges, covenants and agrees to the following:

(a) The Project is located in the vicinity of other military aircraft facilities, military activities may be conducted in the vicinity of the Project, and such military activities may result in noise, dust, vibration, and other nuisances, disturbances or hazards (the "Military Effects") to persons and property on or within the Property or the Project;

(b) The Property is or may be located adjacent to or in the vicinity of electric, water and other utilities and public roads and thoroughfares, including, without limitation, such things as electrical substations, high-powered electrical transmission lines, water pump stations, water tanks, reservoirs, freeways and exit ramps which may result in nuisances, such as noise and dust, disturbances or hazards (collectively, the "Utility Effects") to persons and to property on or within the Property. In recent years, concerns have been raised about possible adverse health effects of electric and magnetic fields from power lines. Seller is not insuring or guaranteeing the health of buyer or other occupants or users of the Property and disclaims liability for personal injury, illness or any other loss or damage caused by or arising from the Utility Effects including, without limitation, the presence or malfunction of any electrical distribution systems that may be located adjacent to, near, or over any part of the Property;

(c) (i) The Project is or may be located adjacent to or in the vicinity of other phases of Nohona at Kapolei, and various construction activities, including, but not limited to, ongoing residential and related construction, proposed construction of future residential subdivisions and roads, commercial and office buildings, land development activities, one or more recreational centers and facilities, churches and other construction and development projects (collectively, the "Proposed Development"); (ii) construction of the Proposed Development will or may result in noise, dust, vibration and other nuisances, disturbances or hazards to buyer and to persons and property on or within the Property or the Project, and may limit buyer access to the Project; (iii) when completed, traffic, lights, noise, dust, vibration and other nuisances, disturbances or hazards to persons and property on or within the Property or the Project may be generated from the Proposed Development; (iv) no representations or warranties are made by Seller, its employees or agents concerning plans, or the absence of plans, by Seller or others for future development of adjacent or nearby properties, and any plans for the future development of adjacent and nearby properties by Seller are subject to change in the sole and absolute discretion of the Seller or its successors and assigns; and

(v) Seller makes no representations regarding the view from the Property or any view easements or rights, and the views from the Property are not guaranteed and may be altered, diminished, eliminated or blocked entirely by the future development of adjacent or surrounding properties (items (i) through (v) are hereinafter collectively called the "Development Effects");

(d) Mold and other forms of fungi are common and occur naturally in Hawaii due to its climate. Any moisture, including but not limited to standing water, water intrusion in a home, or condensation will promote mold or other fungal growth. Lack of maintenance, utilization of an air-conditioner and other conditions which could increase moisture or condensation in a home, will therefore create conditions which are conducive to mold and fungi growth. It has been reported or alleged that molds and other fungi can cause mild to severe allergies, infections and other health problems and property damage (collectively, the "Mold Effects"). Seller is not insuring or guaranteeing the health of buyer or other occupiers or users of the Property and disclaims liability for personal injury, illness, property damage, or any other loss or damage caused by or arising from the Mold Effects; and

(e) Buyer represents and warrants to Seller that buyer, in buyer's sole discretion, has determined that the benefits of owning and enjoying the Property outweigh the risks of the Military Effects, the Utility Effects, the Development Effects and the Mold Effects (collectively, the "Property Conditions"). Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Military Effects, the Utility Effects and the Mold Effects. Buyer hereby irrevocably agrees to suffer and permit all actions and consequences incidental to the Development Effects, for a period of ten (10) years after the date of recordation of the Condominium Unit Deed. Buyer hereby covenants and agrees to assume all risks of impairment of buyer's use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from the Property Conditions, and buyer, for the buyer and the buyer's tenants, lessees, family, servants, guests, invitees, licensees, agents, employees, and those who use the Property through the buyer for an extended period of time (collectively, the "Occupants"), hereby waives any claims or rights of action or suits against Seller, its successors and assigns, the HHFDC, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, and property damage or personal injury arising from one or more of the Property Conditions. Buyer shall indemnify, hold harmless and defend Seller, its successors and assigns, the HHFDC, the City and County of Honolulu, the State of Hawaii, and any agency or subdivision of the foregoing, from any and all liability, claims, losses, damages, or expenses, including attorneys' fees, arising from such impairment of the Occupants' use and enjoyment of the Property or the Project, loss of market value of the Property, or property damage or personal injury to the property or person of the Occupants as a result of one or more of the Property Conditions. Buyer

further covenants that buyer will notify all Occupants and transferees of the Property of the risks of the Property Conditions.

17. If Closing occurs, buyer and Seller agree that:

(a) any and all claims or disputes in any way connected with the design, development, construction, sale, marketing, financing, warranties, or any other activity or matter relating to the Project, between buyer, on the one hand, and Seller and/or Seller's affiliates, on the other hand, shall be submitted to mediation, if applicable, and final and binding arbitration, all pursuant to and in accordance with the provisions contained in the Limited Warranty Agreement administered by Professional Warranty Service Corporation ("PWC"), which mediation and arbitration provisions are incorporated by reference into the Sales Agreement;

(b) at Seller's option, the mediation and/or arbitration shall include all or any of Seller's agents, architects, consultants, engineers, contractors, subcontractors, suppliers, representatives or other third parties ("Related Parties"), and any action by buyer against any of the Related Parties (and not directly against Seller) in respect of the Property which the Seller shall determine directly or indirectly affects Seller, shall at Seller's option, be subject to these mediation and arbitration provisions;

(c) all fees and costs in connection with the mediation and/or arbitration shall be allocated in accordance with the Limited Warranty Agreement; provided, however, that any fees charged by PWC that are not addressed by the Limited Warranty Agreement shall be shared equally by buyer and Seller; and

(d) in the event Seller or PWC determines, in their sole discretion, that the claim or dispute is not covered by the Limited Warranty Agreement, Seller or PWC shall so notify buyer, and the following shall apply:

(i) Buyer and Seller shall attempt in good faith to settle such claim or dispute by non-binding mediation conducted in Honolulu, Hawaii. The mediation shall be conducted under the Commercial Mediation Rules of the American Arbitration Association ("AAA") except as may be inconsistent with this section; provided, however, that the parties may agree on the selection of a single mediator instead of having a mediator appointed by AAA, and the parties may agree to use a recognized mediation service other than AAA. The costs for the mediator shall be shared equally by the parties, and each party shall be responsible to pay all other fees and costs, including attorneys' fees, that it incurs in connection with the mediation. At Seller's option, the mediation shall include all or any Related Parties as parties. Either party may notify the other party in writing of its request to commence mediation. Prior to the commencement of mediation, buyer agrees to provide Seller, the Related Parties and their consultants with reasonable access to those portions of the Property that are the subject of the claim or dispute. The parties may agree on the date of commencement of the

mediation; provided, however, that (1) if the parties are unable to agree on the date of commencement of the mediation and the mediation does not include Related Parties, then the mediation shall commence within thirty (30) calendar days after Seller or PWC's written notice to buyer, that the claim or dispute is not covered by the Limited Warranty Agreement or as soon thereafter as permitted by the mediator's schedule, or (2) if the parties are unable to agree on the date of commencement of the mediation and the mediation does include Related Parties, then the mediation shall commence within sixty (60) calendar days after Seller or PWC's notice to buyer that the claim or dispute is not covered by the Limited Warranty Agreement or as soon thereafter as permitted by the mediator's schedule.

(ii) If the parties are unable to resolve the claim or dispute through mediation as provided in the preceding section, then such claim or dispute shall be decided by arbitration in Honolulu, Hawaii. The parties agree that one arbitrator shall be appointed to hear and resolve the claim or dispute in accordance with the Commercial Arbitration Rules of the AAA (the "AAA Arbitration Rules"), except as may be inconsistent with this section, and Chapter 658A of the Hawaii Revised Statutes, as amended, or its successor ("Chapter 658A"); provided, however that the parties may agree on the selection of a single arbitrator instead of having an arbitrator appointed by AAA, and the parties may agree to use a recognized arbitration service other than AAA. At Seller's option, the arbitration shall include any of the Related Parties as parties. The parties further agree that the award of the arbitrator shall be binding upon the parties and that judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. Notwithstanding anything herein, in the AAA Arbitration Rules or in the rules of any other arbitration service used for the arbitration (the "Other Rules") and/or in Chapter 658A to the contrary, the costs for the arbitrator shall be shared equally by the parties, and each party shall be responsible to pay all other fees and costs, including attorneys' fees, that it incurs in connection with the arbitration. Notwithstanding anything herein, in the AAA Arbitration Rules, in the Other Rules and/or in Chapter 658A to the contrary, the parties hereby waive, and agree not to pursue, any claims against each other for punitive or exemplary damages, attorneys' fees or costs, witness fees or costs or other expenses arising in connection with the arbitration of any such claim or dispute, and the arbitrator shall not include any such punitive or exemplary damages, attorneys' fees or costs, witness fees or costs or other expenses as part of the award.

(e) The foregoing provisions are intended to comply with (and shall be construed consistent with) the requirements of the Hawaii Contractor Repair Act, Chapter 672E of the Hawaii Revised Statutes ("Hawaii Contractor Repair Act"). In the event of an irreconcilable conflict between the foregoing provisions and the provisions of said Hawaii Contractor Repair Act, the provisions of the Hawaii Contractor Repair Act shall govern and control.

Pursuant to the requirements of the Act, Seller is required by law and gives to buyer the following notice:

**CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS YOU (i.e. BUYER) MUST FOLLOW BEFORE YOU MAY COMMENCE A LEGAL ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE SELLER OR RELATED CONTRACTORS WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR HOME. NINETY DAYS BEFORE YOU COMMENCE A LEGAL ACTION, YOU MUST SERVE ON THE SELLER OR CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, SELLER OR CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY SELLER OR A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO COMMENCE A LEGAL ACTION.**

It shall be buyer's obligation and responsibility to read and comply with the Act, the Sales Agreement and the Limited Warranty, in the event that buyer desires to pursue a legal action for defective construction relating to the Property.

18. The buyer agrees that buyer may not transfer the Sales Agreement or any of buyer's rights or interests under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion).

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.